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COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT

PLANNING COMMISSION

MEETING DATE December 10, 2015	CONTACT/PHONE Michael Conger, Project Manager (805) 781-5136 mconger@co.slo.ca.us	APPLICANT Community Health Centers	FILE NO. DRC2015-00050
SUBJECT Request by COMMUNITY HEALTH CENTERS for a Variance and Minor Use Permit to allow the development of a medical center. The proposal includes the following components: (1) a Variance request to develop office use without a residential component on a property designated for mixed-use development, and to orient entrances away from street frontages; (2) grading of the project site, involving site disturbance of approximately 1.19 acres; and (3) development of a 13,600 square foot medical center with a 68-space parking lot. The proposed project is within the Commercial Retail (CR) land use category and is located at the southeast corner of 21st Street and Cienaga Street (Highway 1) in the community of Oceano. The site is in the San Luis Bay subarea of the South County planning area.			
RECOMMENDED ACTION 1. Adopt an Addendum to the Mitigated Negative Declaration in accordance with the applicable provisions of the California Environmental Quality Act, Public Resources Code Section 21000 et seq. 2. Approve Variance and Minor Use Permit DRC2015-00050 based on the findings listed in Exhibit A and the conditions listed in Exhibit B			
ENVIRONMENTAL DETERMINATION The Environmental Coordinator found that the previously adopted Negative Declaration is adequate for the purposes of compliance with CEQA. Per State CEQA Guidelines (Sec. 15164(a), Sec. 15162) an Addendum to the adopted Negative Declaration was prepared as the following conditions apply: 1) only minor technical changes or additions are necessary; 2) no substantial changes have been made or occurred that would require major revisions to the Negative Declaration due to either new significant effects or substantial increases in the severity of previously identified significant effects; 3) substantial changes have not occurred with respect to the circumstances under which the project is undertaken; 4) no new information of substantial importance which was not known or could not have been known at the time of the adopted Negative Declaration has been identified. No new mitigation measures have been proposed.			
LAND USE CATEGORY Commercial Retail (CR)	COMBINING DESIGNATION Central Business District (CBD) Flood Hazard (FH)	ASSESSOR PARCEL NUMBER 062-117-009, 011	SUPERVISOR DISTRICT(S) 4
PLANNING AREA STANDARDS: Oceano Specific Plan Compliance; Curb, Gutter, Sidewalk; Permit Requirement; Block 45 of Town of Oceano <i>Does the project meet applicable Planning Area Standards:</i> No; A variance is requested – see discussion			
ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ FAX: (805) 781-1242			

LAND USE ORDINANCE STANDARDS: General Property Development Standards; Fencing and Screening; Height Measurement; Minimum Site Area; Setbacks; Underground Utilities; Airport Review Area; Flood Hazard Area; Landscaping; Parking; Signs; Grading <i>Does the project conform to the Land Use Ordinance Standards: Yes – see discussion</i>	
EXISTING USES: Vacant	
SURROUNDING LAND USE CATEGORIES AND USES: <i>North:</i> Commercial Retail / grocery store, residences <i>East:</i> Commercial Service / mini-storage <i>South:</i> Commercial Service / tow yard, residence <i>West:</i> Commercial Service / vacant	
OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: The project was referred to: Building Division, Oceano Advisory Council, Public Works, Oceano Community Services District, Airport Land Use Commission, County Airports	
TOPOGRAPHY: Level to gently sloping	VEGETATION: Non-native grasses
PROPOSED SERVICES: Water supply: Community System (Oceano CSD) Sewage Disposal: Community System (Oceano CSD) Fire Protection: Five Cities Fire Authority	ACCEPTANCE DATE: October 27, 2015

PROJECT HISTORY

Between 1981 and 2008 the project site had been designated (zoned) Commercial Service (CS). The CS zoning still exists to the south, east, and west of the site. In 2008, the Board of Supervisors adopted Ordinance 3262, effectuating a General Plan Amendment (LRP2006-00011) which re-designated the site to Commercial Retail (CR) and incorporated it into the Oceano Central Business District (CBD). This ordinance was adopted at the request of the prior landowner, who had desired to develop a mixed-use project on the site. The Planning Department approved a Minor Use Permit (DRC2007-00115) for a mixed use development with approximately 20,000 square feet of retail and/or office space and 22 apartments shortly after adoption of Ordinance 3262. That project was never built and its approval expired in 2011.

The General Plan Amendment to rezone the site to CR was processed under a pilot program, referred to as “Smart Growth Priority Processing.” Under this program, projects that qualified by gaining a certain number of points on a priority processing checklist would be expedited. In exchange, the entitlement would be conditioned to ensure inclusion of the features identified in the checklist. The following features were proposed as part of the General Plan Amendment in order to qualify for expedited processing:

- 1) Residential density shall be at least 10 units per acre.
- 2) At least 15 percent of residential units shall be no larger than 900 square feet.
- 3) Parking shall be located behind the buildings fronting Cienaga Street.
- 4) All buildings with street frontage shall face the street with visible entrances.

- 5) At least 80 percent of residential units shall have south-facing windows.
- 6) Landscaping shall use drip irrigation.
- 7) Pedestrian walkways with landscaping and illumination shall be provided.

To ensure that the above measures would be incorporated into new development, a Planning Area Standard specific to this site was created under Ordinance 3262.

SUMMARY OF CURRENT PROPOSAL

Community Health Centers (CHC), a non-profit organization providing a range of health care services throughout the Central Coast, has recently acquired the subject site. CHC wishes to construct a 13,600 square foot medical facility on the site. A Variance is necessary, as the medical center will not comply with the Planning Area Standard created under Ordinance 3262. Specifically, the project seeks Variance approval from the following standards:

- 1) The development will not contain a residential development component.

Rationale: CHC is a medical provider, and is seeking to build a medical center for Oceano. The facility will have to meet the requirements of the Office of Statewide Health Planning and Development (OSHDP). These requirements affect the design of a facility, making mixed-use development less feasible.

- 2) The front entrance of the building will not be oriented towards Cienaga Street.

Rationale: The building being constructed will function as a medical center. In compliance with OSHPD requirements, the front entrance is located with convenient access to the parking lot. Additionally, the entrance will include a covered drop-off area. Compliance with OSHPD requirements makes locating the entrance on Cienaga Street infeasible.

This project includes a Minor Use Permit to authorize grading of the full project site and construction of the 13,600 square foot medical facility and parking lot.

Staff recommends approval of the project, based on the attached findings (Exhibits A and B) and conditions (Exhibit C). The project site was subject to unique circumstances. Specifically, a restrictive Planning Area Standard, which applies nowhere else in the County, requires that this commercially-zoned site be developed with a residential use. The requested Variance would facilitate establishment of a principally permitted use (medical office) in the Commercial Retail land use category. Finally, the level of development proposed is less intense than the level of development previously approved on this site.

PROJECT ANALYSIS

Ordinance Compliance

General Property Development Standards – Chapter 22.10 of the Land Use Ordinance establishes development standards. The proposed development meets all applicable standards of Chapter 22.10, as indicated by the following table:

Standards	Required	Proposed	Satisfied?
Minimum Site Area	6,000 square feet	75,000 square feet	Yes
Front Setback	0 feet (min.)	12 feet	Yes
Side Setback	0 feet (min.)	16 feet (21 st St) 85 feet (east)	Yes
Rear Setback	0 feet (min.)	70 feet	Yes
Height	45 feet (max.)	28 feet	Yes
Parking	68 spaces (min.)	68 spaces	Yes

Fencing and Screening – The applicant will be required to develop a fencing and screening plan for submittal during the building permit review process. The plan shall provide for screening of all mechanical equipment (both roof-mounted and at-grade) and fencing along the easterly and southerly property lines. As proposed and conditioned, the project will comply with this requirement.

Underground Utilities – Utilities for use on the site are required to be installed underground. As proposed and conditioned, the project will comply with this requirement.

Landscaping – The applicant has provided a preliminary landscaping plan. Landscaping will need to be installed or bonded for prior to final inspections. As proposed and conditioned, the project complies with this requirement.

Parking – Parking for health care services is based upon two factors: floor area and the number of exam rooms and offices. The larger parking demand of the two calculations applies.

Feature	Proposal	Parking Ratio	Parking Demand
Floor Area	13,600 sqft	1 per 200 sqft	68 spaces
Offices, Exam Rooms	Total – 31 <i>Exam Rooms – 18; Offices – 5; Other (counseling, dental, etc.) – 8</i>	2 per room	62 spaces
<i>Total Parking Demand</i>			68 spaces
<i>On-Site Parking Provided</i>			68 spaces

As indicated, the project provides enough off-street parking spaces to address its parking demand.

Signage – Signage requirements are contained in Chapter 22.20 of the Land Use Ordinance. These standards allow a maximum aggregate signage area of 100 square feet. This can include a combination of wall signs, a suspended sign, a monument sign, a projecting sign, and/or a marquee sign. As proposed and conditioned, the project will comply with Chapter 22.20.

Inclusionary Housing – Unless this facility qualifies for an exemption from the inclusionary housing ordinance, linkage fees may be required. As conditioned, the project will comply with the inclusionary housing requirements.

Grading – The project site is partially within the Flood Hazard area for Arroyo Grande Creek. In order to build up the finish floor elevation and provide for underground stormwater retention, the site will require substantial grading. A preliminary grading plan has been provided to demonstrate how this can be accomplished. Public Works has reviewed the preliminary grading and drainage plans and they have indicated concurrence with this proposal. Final plans and drainage calculations will be reviewed in detail with the construction permit submittal.

Planning Area Standards

Curb, Gutter, and Sidewalk – This project has been conditioned to provide curb, gutter, and sidewalk improvements along both its Cienaga Street and 21st Street frontages.

Block 45, Town of Oceano # 2 - Several planning area standards were created in 2008 and applied solely to this project site as a result of the entitlement process for the past mixed-use project. While the project complies with a number of standards, it does not include a “mixed use” or residential development component. Additionally, it does not provide a street-oriented entrance. As a result, a variance must be requested.

The following list breaks the planning area standards into three categories: standards necessitating a variance, compliant standards, and inapplicable standards.

Standards Necessitating a Variance

- *Standard f(1)(a)* – requires mixed use development with a minimum residential density of 10 units per acre on this site.
- *Standard f(1)(d)* – requires buildings with street frontages to orient their entrances towards those frontages.

See the *Variance Findings* discussion below for further elaboration.

Compliant Standards

- *Standard c* – limitation on use¹. None of the listed restricted uses are proposed.
- *Standard d* – fast food restaurant use. No such use is proposed.
- *Standard e* – drainage. As designed, drainage is retained on site and not directed to Highway 1.
- *Standard f(1)(c)* – parking. As designed, parking has been placed behind structures fronting Cienaga Street.
- *Standard f(1)(f)* - drip irrigation. A condition of approval carries this standard through.

Inapplicable Standards – This project involves no residential development and the building has sufficient setbacks so as not to require construction of a firewall. The following standards are inapplicable to this project:

- *Standard a* – requires residential uses to occur only on upper floors or behind buildings.
- *Standard b* – requires walls within 5 feet of property lines to comply with certain design standards.
- *Standard f(1)(b)* – requires at least 15 percent of residential units to be less than 900 square feet in size.
- *Standard f(1)(e)* – requires that at least 80 percent of residential units have south facing windows.
- *Standard f(1)(h)* – requires all residential units be provided pedestrian access to the exterior sidewalk system.

Combining Designations

Airport Review Area – The proposed project is located in the Airport Review Area for the Oceano County Airport. The project was referred to the Airport Land Use Commission for their review and comments. No comments were received. The project is located in Land Use Area TP-2 according to the Oceano County Airport Land Use Plan (ALUP). The ALUP does not impose limitation on development density or intensity for Area TP-2. The project has been conditioned to record an avigation easement and to file Form 7460 with the Federal Aviation Administration (FAA).

Flood Hazard Area – A portion of the project site, nearest the site's southwest corner, is within the designated flood hazard area for Arroyo Grande Creek. The applicants have prepared a preliminary grading and drainage plan showing how the site will be developed and drainage will be handled. The plans were reviewed by the Department of Public Works. During the building permit phase, Public Works will review finalized grading and drainage plans and ensure compliance with all Flood Hazard requirements before approval. As proposed and conditioned, the project complies with these requirements.

¹ The following uses are prohibited: Kennels, zoos, recycling collection stations, mobile home and vehicle dealers, vehicle storage, dry-cleaning plants, industrial launderers, beauty shops (except without manicure/pedicure service), funeral service and crematoria, gasoline service stations, roasted coffee production, automotive repair and paint shops, commercial printing/lithographic, and manufacturing of furniture.

VARIANCE FINDINGS

Variances are a fairly uncommon land use entitlement. Providing evidence to support the necessary findings is often a limiting factor. In this case, a Variance is required due to a unique planning area standard requiring that a specific site be developed with both commercial and residential uses. Granting of the Variance would allow the site to be developed with medical offices, which is a principally permitted use in the Commercial Retail category.

A variance may only be granted by the Planning Commission when they make the following findings:

- **No Special Privileges.** The variance authorized does not constitute a grant of special privileges inconsistent with the limitations upon other properties in the vicinity and the land use category in which it is situation.

Justification – CHC proposes to locate a medical facility on a site designated Commercial Retail (CR). Based on a previous development proposal, ordinance standards require mixed-use development. No other CR-designated lands in the community (or even the County) are subject to such a limitation. CHC seeks only to develop the type of use that is principally permitted in the Commercial Retail zone and in the Central Business District.

- **There Are Special Circumstances.** There are special circumstances applicable to the property, including the size, shape, topography, location, or surroundings, and because of the absence of these circumstances, the strict application of this Title would deprive the property of privileges enjoyed by other property in the vicinity in the same land use category.

Justification – As previously mentioned, unique ordinance standards apply only to the subject site. The subject property is the only vacant property of this size in Oceano's Central Business District. CHC needs a parcel of this size to accommodate a medical facility of this size.

- **This Is not a Use Variance.** The Variance does not authorize a use not otherwise authorized in the land use category.

Justification – A medical facility is a principally permitted use in the Commercial Retail category. The use variance is requested for not including a residential component in the development.

- **No Adverse Impact on Health, Safety, Welfare.** The granting of such application does not, under the circumstances and conditions applied in the particular case, adversely affect the health or safety of persons, is not materially detrimental to the public welfare, and is not injurious to nearby property or improvements.

Justification – Having an expanded community health center will be of benefit to the community's health, safety, and welfare.

As indicated above, staff believes that the Planning Commission has a sufficient factual record to support approval of a Variance in this case.

ENVIRONMENTAL DETERMINATION:

In December 2008, the Board of Supervisors certified the Mitigated Negative Declaration for the *Takken Family Trust General Plan Amendment* project. There have been no significant changes to environmental factors since that time. Additionally, the proposed development project has been revised to reduce commercial square footage and eliminate residential development components. As a result, an Addendum to the Mitigated Negative Declaration has been prepared.

COMMUNITY ADVISORY GROUP COMMENTS:

CHC's initial submittal was for a 15,000 square foot medical facility and included a request for reduction of required parking by seven spaces. The Oceano Advisory Council (OAC) informally reviewed this project on October 26, 2015. At that time, the council indicated support, though several members were concerned about the parking waiver.

CHC has since revised the plans to eliminate the proposed parking waiver. The medical offices would now be reduced to 13,600 square feet. CHC presented the revised proposal to Oceano Advisory Council at their November 16, 2015 meeting. At that time OAC indicated unanimous support.

AGENCY REVIEW:

Building Division – Requested information to be provided with construction permit submittal.

County Public Works – County Public Works notes that (1) the project will trigger curb, gutter, and sidewalk requirements; (2) the project triggers drainage plan requirements; and (3) the project is in a stormwater management area, requiring submittal of a stormwater control plan.

County Airports – Notes that the project is in an Airport Review area and will experience flyovers and aviation-related noise; requests that the applicant file FAA Form 7460 prior to construction permit issuance.

No responses were received from the following agencies: Oceano Community Services District, Airport Land Use Commission, CalTrans

LEGAL LOT STATUS:

The existing lot was legally created by deed in reference to a previous recorded map (Town of Oceano #2), at a time when that was a legal method of creating lots.